

ASSEMBLY BILL

No. 1482

Introduced by Assembly Member Canciamilla

February 22, 2005

An act to amend Section 15146 to the Education Code, relating to education finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1482, as introduced, Canciamilla. School district bonds.

Existing law allows a school district governing board to sell bonds at a negotiated sale or by competitive bidding.

This bill would require a school district governing board to sell bonds by competitive bidding, as specified. This bill would allow the governing board of a distressed school districts, as defined, to sell bonds at a negotiated sale if the sale is approved by either the treasurer of the county in which the school district is located or by the Treasurer.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 15146 of the Education Code is
2 amended to read:
3 15146. (a) The bonds shall be issued and sold pursuant to
4 Section 15140, payable out of the interest and sinking fund of the
5 district. The governing board ~~may shall~~ sell the bonds ~~at a~~
6 ~~negotiated sale or~~ by competitive bidding. ~~The Except as~~
7 ~~provided in subdivision (f), the~~ bonds may be sold at a discount
8 not to exceed 5 percent and at an interest rate not to exceed the

1 maximum rate permitted by law. ~~If the sale is~~ *In selling the bonds*
2 by competitive bid, the governing board shall comply with
3 Sections 15147 and 15148. The bonds shall be sold by the
4 governing board no later than the date designated by the
5 governing board as the final date for the sale of the bonds.

6 (b) The proceeds of the sale of the bonds, exclusive of any
7 premium received, shall be deposited in the county treasury to
8 the credit of the building fund of the school district, or
9 community college district as designated by the California
10 Community Colleges Budget and Accounting Manual. The
11 proceeds deposited shall be drawn out as other school moneys
12 are drawn out. The bond proceeds withdrawn shall not be applied
13 to any other purposes than those for which the bonds were
14 issued. Any premium or accrued interest received from the sale
15 of the bonds shall be deposited in the interest and sinking fund of
16 the district.

17 (c) The governing board may cause to be deposited proceeds
18 of sale of any series of the bonds in an amount not exceeding 2
19 percent of the principal amount of the bonds in a costs of
20 issuance account, which may be created in the county treasury or
21 held by a fiscal agent appointed by the district for this purpose,
22 separate from the building fund and the interest and sinking fund
23 of the district. The proceeds deposited shall be drawn out on the
24 order of the governing board or an officer of the district duly
25 authorized by the governing board to make the order, only to pay
26 authorized costs of issuance of the bonds. Upon the order of the
27 governing board or duly authorized officer, the remaining
28 balance shall be transferred to the county treasury to the credit of
29 the building fund of the school district or community college
30 district. The deposit of bond proceeds pursuant to this
31 subdivision shall be a proper charge against the building fund of
32 the district.

33 (d) The governing board may cause to be deposited proceeds
34 of sale of any series of the bonds in the interest and sinking fund
35 of the district in the amount of the annual reserve permitted by
36 Section 15250 or in any lesser amount, as the governing board
37 shall determine from time to time. The deposit of bond proceeds
38 pursuant to this subdivision shall be a proper charge against the
39 building fund of the district.

1 (e) The governing board may cause to be deposited proceeds
2 of sale of any series of the bonds in the interest and sinking fund
3 of the district in the amount not exceeding the interest scheduled
4 to become due on that series of bonds for a period of two years
5 from the date of issuance of that series of bonds. The deposit of
6 bonds proceeds pursuant to this subdivision shall be a proper
7 charge against the building fund of the district.

8 *(f) Notwithstanding subdivision (a), the governing board of a*
9 *distressed school district may sell bonds by negotiated sale if the*
10 *sale is approved by either the treasurer of the county in which*
11 *the school district is located or by the Treasurer.*

12 *(g) For purposes of this section, “distressed school district”*
13 *means any school district for which the Superintendent has*
14 *requested the assistance of the County Office Fiscal Crisis and*
15 *Management Assistance Team, pursuant to subdivision (c) of*
16 *Section 42127.8.*